

JUL 15 1993

NOTICE OF POTENTIAL LIABILITY AND EPA CONDUCT OF REMOVAL ACTION
URGENT LEGAL MATTER
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

Mr. Albert P. Lospinoso
President
Quemetco Metals Limited, Inc.
1111 West Mockingbird Lane
Dallas, Texas 75247

Re: RSR Corporation Site, Operable Unit One
Dallas, Dallas County, Texas

Dear Mr. Lospinoso:

The purpose of this letter is to provide Quemetco Metals Limited, Inc. (Quemetco) with notice of response actions undertaken by the United States Environmental Protection Agency (EPA) pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (CERCLA), 42 U.S.C. § 9601 et seq., at the RSR Corporation site located in Dallas, Texas (See attached site and Operable Unit description; hereinafter the "Site"). This letter also notifies Quemetco of its potential liability for response costs incurred and to be incurred by the United States Government and the State of Texas in conducting response actions at the Site. Furthermore, this letter provides Quemetco the opportunity to notify EPA of its willingness to conduct or participate in response actions or to finance response actions at the Site.

In addition, this letter informs Quemetco that EPA intends to waive the special notice procedures of Section 122(e) of CERCLA concerning the remedial investigation/feasibility study (RI/FS) phase at the residential property operable unit (Operable Unit One) of the RSR Corporation site.

NOTICE OF POTENTIAL LIABILITY

EPA has information which indicates that hazardous substances, pollutants or contaminants, have been released or that there is a substantial threat of such a release into the environment at the Site. On October 31, 1991, EPA commenced a response action at the Site pursuant to Sections 104 and 106 of CERCLA, 42 U.S.C. §§ 9604 and 9606. The initial response action, initiated by the Action Memorandum of October 31, 1991, and continued by subsequent Action Memoranda dated May 18, 1992, September 23,

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1992, and May 6, 1993 (enclosed), consists of the control of unauthorized or inadvertent access to residential areas which were contaminated with the uncontrolled lead and related heavy metals smokestack emissions which originated from the former Murph Metals, Inc. smelter facility (located at and about the intersection of Westmoreland and Singleton Avenues and currently owned by Murmur Corporation). In addition, the initial response action consists of excavation and consolidation of hazardous substances and contaminated soils from areas which are accessible to the public, and storage of such hazardous substances and contaminated soils on Tract 1 of the current Murmur Corporation property. At Tract 1, the soils are consolidated, sampled if necessary, and then shipped for disposal. EPA intends to conduct further response actions at the other Operable Units at the Site.

Under Section 107 of CERCLA, 42 U.S.C. § 9607, responsible parties are those persons who are owners or operators of a facility, or who were owners or operators of a facility at the time of disposal of hazardous substances at such facility, or persons who arranged for disposal or treatment of hazardous substances at a facility, or persons who both selected a facility and transported the hazardous substances to the facility, from which there is a release or threatened release of hazardous substances into the environment. Section 107 of CERCLA, 42 U.S.C. § 9607, states that responsible parties are liable to the United States for the costs incurred in response actions such as that being conducted at the Site.

The information available to EPA indicates that Quemetco Metals, a wholly-owned subsidiary of RSR Corporation, is a potentially responsible party (PRP) at the Site because it is the successor to Murph Metals, Inc. which owned and operated the smelter facility. EPA has identified the former Murph Metals, Inc. smelter as a source of releases of hazardous substances into the environment. Lead and other heavy metals in emissions from the Murph Metals, Inc. facility were released onto the ground in areas surrounding the smelter facility. Murph Metals, Inc. may also have arranged for the disposal of lead and other hazardous substances at the Site. EPA has determined that the Site presents a potential threat of further releases if continued response actions are not taken.

OFFER TO NEGOTIATE

EPA is offering Quemetco Metals the opportunity to demonstrate that it is able and willing to conduct and/or finance response actions at the Site, and to negotiate an agreement under which Quemetco Metals would conduct and/or finance response actions at the Site. If Quemetco Metals chooses not to conduct or finance response actions at the Site, and if it is found to be a responsible party, Quemetco Metals may be required to reimburse the United States for response costs incurred at or in connection with the Site.

WAIVER OF SPECIAL NOTICE FOR REMEDIAL INVESTIGATION/
FEASIBILITY STUDY FOR OPERABLE UNIT ONE

EPA is waiving the special notice procedures of Section 122(e) of CERCLA, 42 U.S.C. § 9622(e), concerning the remedial investigation/feasibility study (RI/FS) phase of the residential property operable unit (Operable Unit One) of the multi-Operable Unit response action at the Site. This course of action does not preclude any negotiations with Quemetco or any other potentially responsible party in the present or in the future for response actions at Operable Unit One or other Operable Units at the Site, or negotiations for cost recovery.

EPA has determined that waiver of the special notice procedures will expedite remedial action at Operable Unit One. Use of these procedures could delay the conduct of the current response action at Operable Unit One. In addition, through its ongoing removal action at Operable Unit One, EPA currently possesses considerable data concerning contamination within that Operable Unit. Additional data concerning lead and heavy metal soil contamination will be obtained by EPA through the survey conducted by the Texas Water Commission. EPA expects these data to be adequate for the development of an RI/FS for Operable Unit One.

YOUR RESPONSE TO EPA

Quemetco should notify EPA, within five (5) business days of its receipt of this letter, to indicate its willingness to conduct and/or finance response actions at the Site. If Quemetco decides to participate in response actions, it will be required to enter into an agreement with EPA. If EPA does not receive a response from Quemetco within the specified time indicating its willingness to conduct or finance response actions at the Site, EPA will assume that Quemetco does not intend to perform response actions at the Site.

Quemetco's notification should be sent to Mr. Carlos Sanchez, Remedial Project Manager, at the following address:

Mr. Carlos Sanchez
U.S. Environmental Protection Agency
Region 6
Superfund Programs Branch (6H-SC)
1445 Ross Avenue
Dallas, TX 75202-2733
(214) 655-8507; FAX (214) 655-6762

Legal questions concerning this notice or the Site should be directed to Pat Y. Spillman, Jr., Assistant Regional Counsel, at the following address:

Mr. Pat Y. Spillman, Jr.
U.S. Environmental Protection Agency
Region 6
Office of Regional Counsel (6C-WT)
1445 Ross Avenue
Dallas, TX 75202-2733
(214) 655-8044; FAX (214) 655-2168

The factual and legal discussions contained in this letter are intended solely for notification and information purposes. They are not intended to be, and cannot be relied upon as, final EPA positions on any matter set forth herein.

Sincerely yours,

Allyn M. Davis, Director
Hazardous Waste Management Division (6H)

Enclosure

cc: Charles Epperson, Texas Water Commission

bcc: Joe Winkle, 6A
Allyn Davis, 6H
Carl Edlund, 6H-S
Sam Becker, 6H-E
Betty Williamson, 6H-M
Russell Rhoades, 6E
Charlie Gazda (6E-E)
George Alexander (6C)
Pam Phillips (6C-W)

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